# EXPLANATORY STATEMENT

## *National Health Act 1953*

## *National Health (Claims and under co-payment data) Amendment (Medication Chart Prescriptions) Rule 2016*

## PB 60 of 2016

**Authority**
This rule is made under subsections 98AC(4) and 99AAA(8) of the *National Health Act 1953* (the Act).

**Purpose**
The purpose of this rule is to amend the *National Health (Claims and under co-payment data) Rules 2012* (PB 19 of 2012) (the Principal Rules) to enable the implementation of hospital medication chart prescriptions for the prescribing, dispensing and Pharmaceutical Benefits Scheme (PBS) claiming of medicines in approved public and private hospitals. The PBS Hospital Medication Chart (PBS HMC) was trialled by the Australian Commission on Safety and Quality in Health Care (the Commission). These amendments will be informed by recommendations from the trial and evaluation of the PBS HMC by the Commission.

The PBS HMC will reduce regulatory burden for PBS prescribers, approved suppliers and nurses in hospitals by removing the need for the duplication of PBS prescription information. It will also improve workflows for health professionals which will result in improved health outcomes for patients, including through a reduction of transcription errors.

Under subregulations 18C and 19AA of the *National Health (Pharmaceutical Benefits) Regulations 1960* (the Regulations), a prescription for the supply of a pharmaceutical benefit can be made via a medication chart prescription providing that the medication chart prescription is made in the approved form in the specified circumstances. On 28 June 2016 the Secretary approved forms based on recommendations from the Commission.

Where an approved supplier claims a reimbursement from the Commonwealth with respect to pharmaceutical benefits prescribed by way of a medication chart prescription, the Commonwealth will require certain information to be included in the claim. These amendments specify that information.

**Background**
The Commission trialled the use of medication charts as prescriptions between July 2015 and March 2016, and provided an evaluation report titled, the *Pharmaceutical Benefits Scheme Hospital Medication Chart (PBS HMC) Summary Evaluation Report June 2016*. This evaluation report will be published on the Commission's website from 1 July 2016: http://www.safetyandquality.gov.au/our-work/medication-safety/medication-chart/pbs-hospital-medication-chart/. The report included the findings of the trial and also included a human factors evaluation conducted by the University of Queensland.

The report indicates that the use of medication chart prescriptions for the supply of pharmaceutical benefits:

1. meets safety and quality requirements for patients in the hospital setting;

2. is consistent with current Pharmaceutical Benefits Scheme (PBS) arrangements;

3. is appropriate for use as another PBS option in public and private hospitals;

4. provides streamlined processes for prescriptions and significantly reduces the number of 'owing prescriptions';

5. reduces administrative burden for clinicians; and

6. centralises communication of medicines during a patient's episode of care.

**Consultation**
The trial was carried out in nine private hospitals and one public hospital. The Commission recommended the approved forms after extensive consultation with prescribers, consumers, nurses, pharmacists and peak health care providers in the public and private hospital sector during the trial.

Additionally, the Commonwealth has undertaken aextensive consultation with key health stakeholders generally about the law reforms required to enable the use of medication chart prescriptions in all approved public and private hospitals. Consulted stakeholders include States and Territories, Australian Private Hospital Association, Society of Hospital Pharmacists of Australia, Pharmaceutical Society of Australia, Pharmacy Guild of Australia, Australian Medical Association, Cancer Voices Australia, Consumers Health Forum of Australia, National Prescribing Service, the Commission, and the National E-Health Transition Authority.

Details of the instrument are set out in the Attachment.

This instrument commences on 1 July 2016.

This instrument is a legislative instrument for the purposes of the *Legislation Act 2003*.

**ATTACHMENT**

**Details of the *National Health (Claims and under co payment data) Amendment (Medication Chart Prescriptions) Rule 2016 (PB 60 of 2016)***

**Rule 1 Name**

This rule provides that the name of this rule is the *National Health (Claims and under co-payment data) Amendment (Medication Chart Prescriptions) Rule 2016.* It can also be citied as PB 60 of 2016.

**Rule 2 Commencement**

This rule provides that this instrument commences on 1 July 2016.

**Rule 3 Authority**

This rule provides that this instrument is made under subsections 98AC(4) and 99AAA(8) of the *National Health Act 1953*(the Act).

**Rule 4 Schedules**

This rule provides that each instrument that is specified in a Schedule to this instrument is amended or repealed as set out in the applicable items in the Schedule concerned, and any other item in a Schedule to this instrument has effect according to its terms.

**Schedule 1 Amendments**

***National Health (Claims and under co-payment data) Rules 2012 (PB 19 of 2012)***

**Item 1 Rule 4**

Item 1 amends rule 4 of the *National Health (Claims and under co-payment data) Rules* 2012 (the Principal Rules) (Definitions), by inserting new definitions for *approved private hospital* and *approved public hospital*.

**Item 2 Sub-rule 13(2)**

Item 2 amends current sub-rule 13(2) to change the date from 1 January 2017 to 1 April 2017.

Rule 13 is a current transitional provision about the requirements for approved suppliers when making claims for payment for pharmaceutical benefits or providing information on under co payment prescriptions to the Commonwealth. Sub-rule 13(2) currently permits the Chief Executive Medicare to extend the date for these transitional arrangements if the Chief Executive Medicare is satisfied that exceptional circumstances exist. However, current sub-rule 13(2) only enables the Chief Executive Medicare to set a date that is before 1 January 2017. These amendments have the effect that the Chief Executive Medicare may set a date after 1 January 2017 providing that the date is before 1 April 2017.

**Item 3 Item 9A of Table, Schedule 1**

Item 3 inserts a new item, item 9A (Drug Item Start Date), in the table in Schedule 1, after item 9.

New item 9A requires that a Drug Item Start Date must be given when using the claims transmission system in circumstances where a medication chart prescription was relied upon for the supply of pharmaceutical benefits to individuals who received treatment in or at an approved private hospital or approved public hospital.

The Drug Item Start Date is the date that the PBS prescriber started prescribing the drug during a time that the particular medication chart prescription was valid. If the PBS prescriber ceased and then recommenced prescribing the particular drug during this validity period, the approved supplier will be required to provide an additional date (i.e. another Drug Item Start Date) that relates to this recommencement.

**Item 4 Item 16 of Table, Schedule 1**

Item 4 repeals current item 16 (Hospital Provider Number) and inserts a new item 16 (Hospital Provider Number), in the table in Schedule 1.

New item 16 requires the hospital's provider number to be given when using the claims transmission system in circumstances where:

- the prescription originated in or at an approved public hospital; or
- the Patient Category for a particular patient is M, P, S, T, U, V, W or X.

The difference between current and new item 16, in the table in Schedule 1, is that the Patient Categories have been updated to include new categories that are inserted by the amendments to current item 23 (Patient Category) in the table in Schedule 1.

**Item 5 Item 19A of Table, Schedule 1**

Item 5 inserts a new item, item 19A (Medication Chart Start Date), in the table in Schedule 1, after item 19.

New item 19A requires the Medication Chart Start Date to be given when using the claims transmission system in circumstances where a medication chart prescription was relied upon for the supply of pharmaceutical benefits to individuals who received treatment in or at an approved private hospital or approved public hospital.

The Medication Chart Start Date is the date that the relevant medication chart prescription commenced.

**Item 6 Item 23 of Table, Schedule 1**

Item 6 changes the information that item 23 (Patient Category) requires to be given when using the claims transmission system.

New item 23 retains current requirements to identify patients and also includes the following new Patient Categories:

- Public PBS HMC Inpatient prescription = S
- Public PBS HMC discharge prescription = T
- Public PBS HMC outpatient prescription = U
- Private PBS HMC Inpatient prescription = V
- Private PBS HMC discharge prescription = W
- Private PBS HMC outpatient prescription = X

These new categories are relevant to medication chart prescriptions.

**Item 7 Item 28A of Table, Schedule 1**

Item 7 inserts a new item, item 28A (Prescription Format), in the table in Schedule 1, after item 28.

New item 28A requires the Prescription Format to be given when using the claims transmission system in circumstances where a medication chart prescription was relied upon for the supply of pharmaceutical benefits to individuals who received treatment in or at an approved private hospital or approved public hospital.

The Prescription Format indicates whether the medication chart prescription was provided to the approved supplier in paper form or electronic form.

**Statement of Compatibility with Human Rights**

*Prepared in accordance with Part 3 of the Human Rights (Parliamentary Scrutiny) Act 2011*

***National Health (Claims and under co-payment data) Amendment (Medication Chart Prescriptions) Rule 2016 (PB 60 of 2016)***

This instrument is compatible with the human rights and freedoms recognised or declared in the international instruments listed in section 3 of the *Human Rights (Parliamentary Scrutiny) Act 2011*.

**Overview of the Instrument**

The purpose of this legislative instrument, made under subsections 98AC(4) and 99AAA(8) of the *National Health Act 1953* (the Act) is to make changes to the *National Health (Claims and under co-payment data) Rules 2012* (the Principal Rules)to enable implementation of hospital medication chart prescriptions for the prescribing, dispensing and Pharmaceutical Benefits Scheme (PBS) claiming of medicines in approved public and private hospitals. The PBS Hospital Medication Chart (PBS HMC) was trialled by the Australian Commission on Safety and Quality in Health Care (the Commission). These amendments will be informed by recommendations from the trial and evaluation of the PBS HMC by the Commission. These amendments align with the *National Health (Pharmaceutical Benefits) Regulation 1960* (the Regulations).

The Regulations provide for hospital medication chart prescriptions to be used for prescribing, dispensing and claiming for supply of pharmaceutical benefits (medicines), without the need to produce a separate prescription for Pharmaceutical Benefits Scheme (PBS) or Repatriation PBS (RPBS) purposes. This improves workflow for health professionals, as a duplication burden is removed, and the risk of transcription error is reduced.

**Human rights implications**

This instrument engages Articles 2 and 12 of the International Covenant on Economic, Social and Cultural Rights by assisting with the progressive realisation by all appropriate means of the right of everyone to the enjoyment of the highest attainable standard of physical and mental health.

The PBS assists with advancement of these human rights by providing for subsidised access to medicines. The Regulation amendments and this instrument are a positive step towards attaining the highest standard of health for all Australians. Increased efficiencies from the use of hospital medication charts for PBS purposes, assists to reduce duplication and improve workflow for health professionals. This in turn can assist health professionals to achieve improved health outcomes for patients.

**Conclusion**

This instrument is compatible with human rights because it advances the protection of human rights.

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